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INSURANCE DEPARTMENT PRESS RELEASE

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NEWS RELEASE

September 14, 2004 Concord, NH – State Insurance Commissioner Roger Sevigny is asking Chambers of Commerce throughout the state to contact their members to warn them about purchasing purported health insurance plans from scam operators. In a letter addressed to the various New Hampshire Chambers of Commerce, Sevigny alerts employers and small business owners of the warning signs that a benefit plan may be phony, and provides tips to avoid being deceived and becoming a victim of a scam.

Commissioner Sevigny states that the plans typically solicit businesses by fax, and offer extensive “benefits” at abnormally low prices - \$100 or less per employee per month. Sevigny says “Businesses should be extremely careful of offers that seem too good to be true. If you’re told that everything is covered, no one is rejected regardless of health status, and it only costs pennies per month, that’s a good sign that the offer is not legitimate.”

Businesses are urged to contact the New Hampshire Insurance Department before purchasing any of these “plans”, and before providing credit card or bank account information to a sales representative. The Department can confirm whether or not an offer is legitimate by confirming whether the company is licensed and their insurance products are approved. “All insurance companies and their policies must be approved by the NH Insurance Department before they can be legally offered in the state of New Hampshire. Scam operators may tell you that they’re not subject to regulation by the state or that the federal government regulates them. That’s just not true, and is a good sign that the offer could be a scam,” said Sevigny. Sevigny went on to say “Businesses and consumers alike are urged to call the Insurance Department at 603-271-2261 to find out if the company they’ve been talking to is licensed to sell insurance in New Hampshire.”

Commissioner Sevigny states that “NH consumers should be particularly careful not to disclose bank account, social security and other identifiers to unknown persons, especially when they are solicited over the telephone.” Because these health “plans” are not insurance products, the Insurance Department has no jurisdiction to assist consumers who are injured by these operators. “Although these plans appear to be offering health insurance, some of the “plans” are in fact scams, designed to obtain bank account or credit card information to debit or charge your account for a worthless product.” said Commissioner Sevigny. Commissioner Sevigny went on to say “We urge all citizens to

use caution when receiving unsolicited offers to purchase what may appear to be insurance products.”

Additional information on this and other consumer issues may be obtained from the NH Insurance Department by calling, toll free, 1-800-852-3416, by accessing the Department’s web site at www.state.ins.nh.gov, or by writing the NH Insurance Department at 21 South Fruit St., Suite 14, Concord, NH 03301.

